GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1306
ANSWERED ON:24.07.2017
Extraction of Natural Gas in KG Block
Senguttuvan Shri Balasubramaniam

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the official panel headed by Chief Justice AP Shaw enquiring into the extraction by Reliance Industries Limited (RIL) of the natural gas that moved from the ONGC wells has held that the RIL has unjustly gained by harvesting the gas that did not belong to them and must return the benefit to the Government and if so, the details thereof; and
(b) whether the Ministry has pursuant to the report of Chief Justice A.P. Shaw, directed RIL and its partners in KG-D6 block to pay US $ 1.55 billion within a month for pumping out natural gas that flowed from the ONGC gas fields to their off the eastern cost and if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN):
(a) & (b) Government constituted a single member committee comprising of Shri Ajit Prakash Shah, former Chief Justice of Delhi High Court to look into the dispute between Reliance Industries Limited (RIL) and ONGC regarding ONGC blocks (KG-DWN-98/2 & Godavari PML) and RIL block (KG-DWN-98/3) in Krishna Godavari Basin relating to gas migration. The Committee had in its Report concluded, inter-alia, that there has been unjust enrichment to the contractor of the block KG-DWN-98/3 due to production of the migrated gas from ONGC's blocks KG-DWN-98/2 and Godavari PML.
The Government has accepted the recommendations of the Committee and consequently, it has been decided by the Government to claim restitution from the contractor for the block KG-DWN-98/3 for the unjust benefit received and unfairly retained. A notice in this regard was issued by this Ministry on 3rd November, 2016. Government through this notice has directed RIL to remit an amount of USD 1,552,071,067 (computed provisionally) being net amount of restitution receivable along with interest upto 31.3.2016 and USD 174,905,120 towards the revised additional cumulative Profit Petroleum receivable upto 31.3.2016 to the Government. RIL vide its Notice of Arbitration dated 11.11.2016 has invoked arbitration disputing the claim of the Government of unjust benefit and restitution claimed in the aforesaid Ministry's notice dated 3.11.2016. The matter is pending before arbitral tribunal for adjudication.
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